

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:2458
ANSWERED ON:16.03.2017
Sale of Surplus Power
Singh Shri Hukum

Will the Minister of POWER be pleased to state:

- (a) whether the Government has proposed immediate implementation of a policy allowing public sector power generators like NTPC to sell surplus power on exchanges without waiting for permission from the State Governments;
- (b) if so, the details thereof; and
- (c) the view of States in this regard?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR POWER,
COAL, NEW & RENEWABLE ENERGY AND MINES

(SHRI PIYUSH GOYAL)

(a) to (c) : Under Section 3 of Electricity Act, 2003, Ministry of Power has issued revised Tariff Policy on 28.01.2016 which describes the methodology for sale of Surplus Power. Para 6.2 (1) of this policy inter-alia states as under:

"Notwithstanding any provision contained in the Power Purchase Agreement (PPA), in order to ensure better utilization of un-requisitioned generating capacity of generating stations, based on regulated tariff under Section 62 of the Electricity Act 2003, the procurer shall communicate, at least twenty four hours before 00.00 hours of the day when the power and quantum thereof is not requisitioned by it enabling the generating stations to sell the same in the market in consonance with laid down policy of Central Government in this regard. The developer and the procurers signing the PPA would share the gains realized from sale, if any, of such un-requisitioned power in market in the ratio of 50:50, if not already provided in the PPA. Such gain will be calculated as the difference between selling price of such power and fuel charge. It should, however, be ensured that such merchant sale does not result in adverse impact on the original beneficiary(ies) including in the form of higher average energy charge vis-À-vis the energy charge payable without the merchant sale. For the projects under section 63 of the Act, the methodology for such sale may be decided by the Appropriate Commission on mutually agreed terms between procurer and generator or unless already specified in the PPA."
